



*Strengthening Homes,
Communities
and Lives*

www.rupco.org

February 16, 2021

RE: Docket Number R-1723 and RIN Number 7100-AF94.

To Whom it May Concern:

Thank you for allowing me the opportunity to express my opposition to the proposed changes to the Community Reinvestment Act (CRA). Since its enactment in 1977, the CRA made vast strides in providing formally redlined low- and moderate-income (LMI) communities with access to safe, sustainable banking and financial products that can help attract and retain investment. By requiring banks to invest in LMI communities, CRA has secured over \$1 trillion in mortgages, small business loans, and economic development for under-served neighborhoods.

RUPCO's mission of creating homes, supporting people and improving communities would not be possible without CRA investments. Our affordable housing development portfolio includes a mix of senior and supportive, family and artist housing in the Hudson Valley. To bring these much-needed projects to reality, RUPCO has utilized the Low-Income Housing Tax Credits (LIHTC) program, gaining equity through the sale of the tax credits to banks who act as investors. The CRA is a high motivator and incentive to encourage banks to lend and invest tax credits in developments located in their service area, addressing a public need in their community. By requiring banks to invest in low to moderate-income (LMI) communities, CRA has secured over \$1 trillion in mortgages, small business loans, and economic development for under-served neighborhoods. If the Federal Reserve Board (Fed) loosens its regulations to make CRA exams more objective allocating every bank a passing grade, it will lead to banks not conducting serious efforts to help communities of color and low- and moderate-income (LMI) neighborhoods that have been seriously affected by the COVID-19 pandemic. Nonprofit Developers will be without the ability to leverage with financial investors.

Throughout 16 years, RUPCO's HomeOwnership Center has helped nearly 1,000 families purchase their first home. While we are proud of the strides made in recent years, there is no doubt that the lingering effects of redlining and predatory practices have disproportionately left out communities of color from achieving this American Dream milestone. These are same communities who currently have been disproportionately affected by the COVID 19 crisis. It is for this reasons that we ask the Fed to consider explicitly including race on CRA exams. We believe that the CRA statute allows this since the law emphasizes banks are meeting credit needs in all communities, but particularly underserved ones. CRA exams could include performance measures assessing lending, investing, branching and services to people of color and communities of color.

We support the Fed's proposals to expand assessment areas, which are geographical areas on CRA exams. In addition to areas around branches, assessment areas must also include areas



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outside of branches with significant amounts of bank lending or deposit-taking. Allowing for such flexibility will help create more inclusive communities that create opportunities for its residents.

Lastly, we appreciate the direction the Fed has embarked upon, but caution that it must not end up with proposals that replicate existing CRA rating inflation as this will not help our communities devastated by COVID-19.

Sincerely,

Kevin O'Connor
Chief Executive Officer